

in concessions, or about \$13,000 for every worker.

The package from UAW Local 137 required membership approval, which was far from guaranteed.

Final tally: \$68.6 million, just \$12.4 million short. Or so they thought.

But Electrolux whacked \$20 million off the estimate for newplant savings, casting the total package into a \$32 million hole. Filling it would have cost more than \$27,000 a year per worker.

At \$15 an hour, most workers earn just over \$31,000, plus about \$12,000 in benefits.

"Overall, our analysis of the proposed new factory would save less money annually than was anticipated in the estimate," Electrolux spokesman Tony Evans said. "Also, it would cost for more to construct and operate than was anticipated."

Huckleberry, 55, a Greenville Chamber of Commerce board member, says he believes all the work that went into the incentive package still can bear fruit. Other manufacturers have already made queries about future uses for the plant covering three city blocks on the west side of North Irving Street.

There is still caution, certainly.

In addition to the 2,700 workers who lose their jobs, more than 800 others work for area companies that send refrigerator parts to Electrolux. Among the largest is Clarion Technologies, which makes vegetable crispers.

"It's not just suppliers, it's 2,700 people who aren't coming in to have coffee," retiree Donovan Harms said over a cup at Middlebrook's Bakery and Coffee Shop in downtown Greenville. "It's going to put a real bum on this town. We'll survive, but the town certainly won't be the same as it is now."

MOVING ON

Area churches are mobilizing to offer counseling for Electrolux employees, and are planning a community worship service.

"We are going to do whatever it takes to heal and move on," said the Rev. Jerry Jones, pastor at First Congregational Church of Greenville. Apathy, not Electrolux, is the biggest enemy, he said. The community must pull together "with a message of hope."

As if to convince himself things will be all right, Huckleberry embraced two customers—both Electrolux workers—as they left his restaurant mid-morning Friday. "We'll make it. You guys will be OK," he said.

Many of the workers, some 60 percent who live in Montcalm County, feel the same way.

"We all built this place; my dad started here in 1966," said 47-year-old John Baker, who today marks his 26th year with Electrolux.

He married in November and a year ago bought a home in Lakeview, about 25 miles away.

"It's going to be hard for a guy like me to find a job," Baker said. "I've thought about going back to school. Hopefully it'll work out."

"I've been getting ready for this day," said 43-year-old Gordy Heminger of Belding, who plans to go into house construction. "A lot of the guys in the plant, even the older ones, are going back to school. What else can they do?"

Huckleberry is quick to point out the plant will be making refrigerators through 2005, plenty of time for the city and its workforce to make necessary adjustments.

"We've got an airport, an industrial park and homes are being built all over," he said. "This isn't going to happen tomorrow. We've got two years to figure this out."

True enough, agrees 39-year-old Shirlene Taylor, who stopped in with a friend Friday for scrambled eggs and toast.

"The people you work with are like family, but the big corporations don't care about that," said Taylor, who recently lost her job at Attwood Corp. in Lowell, a former subsidiary of Steelcase. "We'll make it. Greenville is still a wonderful town."

[From the Grand Rapids Press, Jan. 17, 2004]

ONE BIG JOB LIES AHEAD FOR LAST TWO YEARS

(By Julia Bauer)

Electrolux workers will have plenty to do in the months until their plant closes.

Assembly of basic refrigerator models is moving out of Greenville to make way for a new Electrolux brand that will look like a built-in.

"Our South Carolina factory specializes in top-freezer refrigerators," Electrolux spokesman Tony Evans said. Both Greenville and the Anderson, S.C., plant can produce the models with the freezer on top, which can run up to 18 cubic feet.

"We've had that ability to build certain of those models in any location," he said.

Once that production moves out, Greenville employees who are all facing layoff next year will start preparing for the new line, at least for a few months. The plant is scheduled to close in 2005.

"We are about to go into manufacturing of a new product, a counter-deep refrigerator," Evans said. "The cabinet is roughly 24 inches deep, so it matches your typical countertop."

Greenville workers will cover the startup, but eventually the refrigerators will bear a "Made in Mexico" label.

Electrolux plans to spend \$150 million to open a plant in Mexico.

"Ultimately, those products will migrate to the new factory," Evans said. The company is providing no specifics on the location for the Mexico plant, although officials in the border town of Ciudad Juarez say they have hosted company representatives in recent weeks.

No new employees will be needed in South Carolina, Evans said. Most of the focus will be on the move to Mexico and production of the "mass luxury" model. Electrolux has not estimated how many employees the Mexico plant will need. The plants on the border with Texas employ Mexican factory workers who earn \$1.57 an hour plus benefits.

Electrolux cites the high labor costs at the union plant in Greenville, where wages are \$15 an hour, plus benefits. The plant has won awards for high productivity, and its division is making a profit.

But Electrolux is seeking higher revenues with lower labor expense. The last major upgrade at Greenville, a \$100 million retooling for Frigidaire's "Next Generation" line, was plagued with delays and cost overruns that added another \$40 million to the final tab. The startup required more employees and more overtime, and it resulted in missed deliveries.

At the last quarter conference in October, analysts told Electrolux chief executive Hans Straberg they were concerned with the company's ability to efficiently install another new line in Greenville, then move it to Mexico.

Electrolux, based in Stockholm, Sweden, is scheduled to report its financial results for 2003 on Feb. 12.

MEDICARE PRESCRIPTION DRUG BILL

The SPEAKER pro tempore (Mr. NEUGEBAUER). Under the Speaker's an-

nounced policy of January 7, 2003, the gentleman from New Jersey (Mr. PALLONE) is recognized for 60 minutes as the designee of the minority leader.

Mr. PALLONE. Mr. Speaker, this evening I would like to talk about the Republican Medicare prescription drug bill that was signed into law by the President last year, which I consider a huge missed opportunity on behalf of the Congress because we really needed a meaningful prescription drug bill for seniors. That is not what we received. What we received really is nothing more than an attempt to privatize Medicare and not provide a meaningful prescription drug plan for seniors.

I wanted to particularly highlight tonight the fact that on the Republican side of the aisle there now are a series of events that have occurred with regard to members of the administration, Members of this House of Representatives, who have, in my opinion, taken advantage of the situation and of their position relative to either negotiating or passing this prescription drug measure that highlight again the fact that special interests and the pharmaceutical companies and the HMOs and the insurance companies were basically out to pass a prescription drug bill that would not provide meaningful coverage; that would not lower costs; and that essentially creates a hoax on the American people that we are somehow doing something about the issue of prescription drugs for seniors.

Meanwhile, the pharmaceutical companies and, yes, even our own Members of Congress and even a member of the administration continue to benefit personally from the fact that they were involved in these negotiations and now have taken jobs or opportunities in the private sector with those same prescription drug companies with whom they worked to negotiate what was essentially a bad bill.

Before I get into some of the specifics in that regard, I just wanted to highlight again why I think this prescription drug measure was a missed opportunity and does not really do anything to help America's seniors. The bill, H.R. 1, in my opinion, simply weakens the Medicare program and falls short of meeting the prescription drug needs of seniors.

H.R. 1, as we know, provides woefully inadequate prescription drug coverage due to a giant gap in coverage in which seniors receive no assistance with costs between \$2,250 and \$5,100 annually. About half of all seniors will not have drug coverage for part of the year, even though they will continue to pay monthly premiums.

I would like to explain what I mean by that. The problem with the Republican bill, unlike with what the Democrats had proposed, is that the Republican bill basically makes you pay so much out of pocket for what you are getting back in your benefit that it is not even worth having; and since it is a voluntary program, I would venture to guess that when this bill finally goes

into effect in a couple of years, most seniors would simply not opt for it because they have to pay out more than it is worth essentially. I have a little chart here that highlights what I mean.

For example, if a senior in the course of a year were to run up a bill of about \$1,000 for their prescription drug needs, under the Republican bill, they would have to pay \$857.50 for \$1,000 worth of coverage. If their annual drug costs were \$2,000, they would be paying about \$1,107 out of pocket. If their annual drug costs were \$3,000, they would be paying \$1,920 out of pocket; and if their annual drug costs were \$5,000, they would be paying \$3,920 out of pocket. You might say to yourself who in the world would want to take advantage of a bill that forces you to pay so much out of pocket to get a very meager amount back in coverage by the Federal Government? And that is really the point.

The second thing that is so important about this Republican prescription drug measure, if you want to call it that, is that it does nothing to reduce the costs of prescription drugs. When you talk to most seniors, they will say that the biggest problem they face is the price of the actual cost of the prescription drugs. What the bill does is it prohibits Medicare from using the bargaining power of 40 million seniors to negotiate lower prices. In other words, all of the sudden, if you have a Medicare prescription drug program, you have about 40 million seniors that the Medicare administration or the Secretary of Health and Human Services can go to the drug companies and say, look, I represent 40 million seniors, I am not going to buy prescription drugs from you, pharmaceutical company, unless you reduce the price; and since I represent all these people, I can buy a lot of drugs if you give me a good price.

This is how you negotiate. We do this with the VA. We do this with the Defense Department for our United States military. But under the Republican Medicare prescription drug bill, the Federal Government, the Secretary of Health and Human Services, the Medicare administrator was specifically forbidden from doing that kind of price negotiation to reduce prices. I mean, this is an outrage, but this is the reality.

The other thing is that the Republican bill pushes seniors into private plans through either an HMO or a PPO. In other words, if they want to get the prescription drugs, they are probably going have to join an HMO in order to get any kind of benefit whatsoever, which means that they lose their choice of doctors. There are so many problems with the bill I do not want to get into all of the problems tonight because I want to kind of highlight how this relates to some of the people that were negotiating the bill and some of the people here in Congress, as well as within the Bush administration, that

are benefiting from the fact that they were in charge of negotiating this very bad bill.

I wanted to also point out that the Democrats had an alternative to the Republican plan that would have actually accomplished the goal of providing a good benefit, reducing the cost of prescription drugs. And would have been immediately available as opposed to available in 2 years under the Republican proposal.

What the Democrats proposed to do was to simply follow the lead of what we do now with part B. Most seniors know that they pay a premium of about \$40, \$50 a month under part B of Medicare. That covers their doctors' bills, and they have a \$100 deductible. They have a 20 percent co-pay, but essentially it starts with the first prescription. There is no donut hole. There is no lack of coverage, and a certain amount at a catastrophic level, the government pays all the costs. Also, under the Democratic proposal we have specifically instructed the Medicare administrator and the Secretary of Health and Human Services to negotiate price reductions to reduce the costs of the prescription drugs. Very simple. You keep your doctor. You do not have to go through the HMO. Everybody's eligible for this prescription drug plan, and you pay a premium of about \$25 a month.

This is not what we got. This is not what the President signed into law. The bill that the President signed into law essentially, the Republican bill, says you are not going to get the coverage unless you go private, join an HMO or something like it. The coverage is very limited. You have to pay a tremendous amount out of pocket, the way I described; and there is actually a prohibition on the reduction or the negotiating of prices to try to bring the prices down.

You might say to yourself, why did this happen? Why is it that the Republican proposal and the one that was signed into law is so bad, and why did it not just follow what we had done traditionally with Medicare with part B, for example, with your doctor bills, the way the Democrats had proposed? The answer, in my opinion, is very simple, and that is because this bill was written by the pharmaceutical companies and by the insurance companies. The insurance companies wanted to make sure that you had to go private with an HMO or something like it in order to get the benefit, and the pharmaceutical companies wanted to make sure that there were no cost controls whatsoever in this benefit so that they would not lose money essentially from having to lower the cost of their prescription drugs.

This is what I would like to get into tonight, and I do not like to cast aspersions, but I do not think we have any choice. The irony of it is two of the key people or at least two of the key people that were involved in negotiating and working on this legislation have now

or are about to either join the pharmaceutical companies and leave, in one case, Congress; or in the other case, the Medicare administrator has already left the Bush administration to join a law firm that represents the drug companies; and I just want to talk about that a little bit tonight.

This is an article from today's Washington Post that says that the chairman of the Committee on Energy and Commerce on the House side, which is my committee that I serve on, the committee that had jurisdiction over the Medicare legislation, the gentleman from Louisiana (Mr. TAUZIN), I am reading from The Washington Post today, "is close to a decision to leave Congress to head the pharmaceutical industry's trade association after turning down an offer from Hollywood to succeed Jack Valenti as the movie industry's top lobbyist, sources in Washington and California said yesterday."

Tauzin telephoned Valenti and declined the offer from the Motion Picture Association, but The Washington Post goes on to say that he "is now considering an offer from the Pharmaceutical Research and Manufacturers of America, PhRMA, the trade group that represents trade giants such as Pfizer and Merck and Company."

He chairs the House Committee on Energy and Commerce. "He was one of the principal authors of the Medicare prescription drug bill that included several provisions expected to vastly expand the market for prescription drugs . . . in addition to adding hundreds of billions of dollars for drug benefits, the law bars the Federal Government from directly bargaining down the price of drugs, a provision PhRMA pressed for."

So the bottom line is PhRMA, representing the pharmaceutical companies, comes in here, negotiates with the committee to ban any kind of cost controls, any kind of negotiated prices. Now that the Republican chairman of the committee, a nice gentleman but nonetheless the Republican chairman of the committee, is likely, according to this, to take a job at PhRMA, the pharmaceutical trade company's top representative, the head of it.

At some point, you have to say to yourself, Mr. Speaker, where does it end? Where does the special interests, in this case of the drug companies, I could probably use the same example with the HMOs and the insurance companies, where does their ability to influence legislation in what I consider a bad way because it in this case means there was no effort to negotiate prices and lower prices for seniors, where does their ability to influence what goes on here and when we have this revolving door, where they come in here and get the committee and the Congress to ban any kind of negotiated prices, and then the person who is the chairman of the committee decides maybe that he will go on to represent this trade group?

I want to use another example because I mentioned the Medicare administrator. The person who was the Medicare administrator within the Department of Health and Human Services at the time when this prescription drug bill was being debated and negotiated here in Congress, again under the Bush administration, a Republican by the name of Tom Scully, last month took a job with a law firm in an investment company that represents these pharmaceutical companies. So here we have again the top person in the Bush administration who is negotiating this bill, a bad bill, one that is not helping the senior citizens, after the bill is passed, leaves the Bush administration, the Medicare administrator position, and goes to work for a law firm that essentially represents these same pharmaceutical companies.

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Now, it was interesting because there was an article, again in *The Washington Post*, about a week ago, January 14, that says, "Now the White House has ordered Federal agencies to stop issuing ethics waivers that allow key officials to negotiate jobs while they are shaping policies important to potential private employers." So this was a memo that was issued by the White House Chief of Staff about a week ago saying that "Effective immediately only the White House can approve such waivers."

The problem here is that Federal law bars Presidential appointees, such as Tom Scully, who is the Medicare Administrator, from discussing possible employment with firms involved in or hoping to be involved in matters handled by those officials. So Scully was negotiating the Medicare prescription drug bill in a way that helped the pharmaceutical companies and did a disservice to the senior citizens of this country by not allowing any kind of negotiated price reductions.

There actually is Federal law that says that he cannot, while he holds that Medicare Administrator position, he cannot look for another job with a company or a law firm that is involved in those negotiations. But he can get a waiver, which was granted by the Secretary of Health and Human Services, a waiver to seek that job and talk to those companies to get a job at the same time that he is negotiating this Medicare prescription bill.

The waiver was granted. And now they are saying, well, maybe it should not have been granted by the Secretary of Health and Human Services. In the future, we will only let the White House, I guess the President himself, grant those kind of waivers.

Well, these waivers should not be allowed at all. It is outrageous, in my opinion, that the Medicare Administrator, who is negotiating and trying to come up with a prescription drug bill, is allowed to go out and seek a job at the same time with those same law firms or companies that he is now ne-

gotiating to put in a provision that would ban the ability to negotiate price reductions.

He had a waiver so that he was allowed to do it. That was given by the same administration, the Bush administration, ultimately the White House as well, so that he could go about trying to look for a job with those same law firms or companies that were trying to get him to bargain for some provisions in the bill that were to their liking.

I mean, where are we going with this whole issue of special interests and the ability of special interests to influence not only the White House and the Medicare Administrator who is working under the President, but also the Republican chairman of the committee that also has jurisdiction over this Medicare prescription drug bill? I do not know where it ends.

I just want to give one more example, which I know has already been mentioned by others, but many of us remember the night here on the floor of the House of Representatives when we were voting on this Medicare prescription drug bill; and when the vote first took place and the 15 or 17 minutes were up, when we are supposed to vote and put our cards in the machines and post our names and how we voted up on the wall here, the bill had actually lost. There was a majority against the bill. An absolute majority was against the bill, so that the bill should have been defeated.

But what the Republican leadership in the House here did, the Speaker, the majority leader, they spent the next 3 or 4 hours, I do not know how long it was, but it was at least 3 hours, twisting arms and trying to use whatever means they could to convince Republican Members to change their votes. And they actually were able to get enough to change their votes so that they switched the majority from defeating the bill to passing the bill several hours after the machines were supposed to close.

I mean, there are all kinds of examples of the kinds of arm-twisting that was taking place and the kind of special interests that were being used. The Secretary of Health and Human Services was here on the floor twisting arms. I saw him personally. But I want to give the most egregious example, which has been mentioned before. In fact, in an effort to show how much the Republican leadership is willing to go to do the bidding of the special interests, in this case the pharmaceutical industry and the insurers, this is an editorial from *The Washington Post* on December 30, during our congressional recess. And I am not going to read the whole thing, but I want to read part of it, because I think it is part of this whole thing, and what I need to do to expose what is going on around here.

It says, "Mr. Smith Leaves Washington," talking about the gentleman from Michigan (Mr. SMITH), a Republican. It says, "Something ugly hap-

pened to Representative NICK SMITH on the long night of the House Medicare vote last month that seems beyond dispute. With his party lacking the votes to muscle the prescription drug bill through, Mr. SMITH was subjected to intense and quite possibly criminal pressure to induce him to abandon his opposition to the Medicare bill. As Mr. SMITH related it the next day, Members and groups offered financial and political support for his son Brad, who is running for his father's seat, if only he would vote for the bill. The first offer was to give him \$100,000-plus for his campaign and endorsements by national GOP leadership, Mr. SMITH elaborated a few days later. When he refused, he said he was threatened that, "Well, if you do not change your vote, then some of us are going to work to make sure your son does not get into Congress."

Again, it goes on to talk about how the House Speaker was among those importuning the gentleman from Michigan (Mr. SMITH) in the final hours of the Medicare vote. And, of course, *The Washington Post* goes on to say that "The Justice Department should fully investigate the matter. If Justice declines to proceed, the ethics committee must step up to the plate."

To my knowledge, neither of those things has happened. But, again, I just want to highlight this because that prescription drug bill was so important to seniors and it was such a missed opportunity to do something that would have actually been helpful to seniors as opposed to doing something that only helps the insurance companies or the pharmaceutical companies. And you just get a little flavor of what goes on here and what contributed to the fact that this bad bill passed: arm-twisting to get Members to change their votes with threats of giving money or withholding donations from candidates, and members of the administration in charge of the Medicare program being offered jobs to work for the very companies that were pharmaceutical companies and their representatives that were benefiting from the legislation; and now the possibility, and we will find out, I guess, in a few days, of the Republican chairman of the committee that had jurisdiction actually going to become the chief representative of PhRMA, the trade group for these very same pharmaceutical interests. It is a very sad day, and the consequences to America's seniors are very bad.

Just in case anybody has any doubt about why this bill is not good and what it means to the industry and what goes on around here, I just wanted to make reference to an editorial that was in *The New York Times* this Sunday. It says, "Patches For the Drug Program." And I am not going to read it all, Mr. Speaker, but I want to read some relevant parts because I think it sums up the problem that we face.

The *New York Times* says in the Sunday editorial, "In the weeks since the Medicare prescription drug bill was

signed into law, the changes that need to be made in this vital legislation have become increasingly apparent. It is not likely that Congress will act in a political year, but Democrats who criticize the bill should lay markers down now on what has to change, and those amendments should be brought up as soon as possible, either before or after the election."

They go on to say in *The New York Times* that "Anyone who followed the rancorous congressional debate knows that the new program has a huge coverage gap, known as the doughnut hole, that exposes many beneficiaries to \$3,600 in out-of-pocket costs before catastrophic coverage kicks in. That makes no sense from an insurance perspective, but was intended to keep the program's costs from getting out of control. Less well-known," and I have not even mentioned this, Mr. Speaker, "is the likelihood that the drug coverage will actually become worse with each passing year. The premiums, deductibles and out-of-pocket expenditures will all increase rapidly, tied to increases in per capita drug expenditures under Medicare. By 2013," about another 10 years, "for example, the out-of-pocket spending required before a person qualifies for catastrophic coverage will probably be \$6,400 a year, well above the \$3,600 required in the first year. That could be devastating for those struggling to survive on Social Security benefits."

It is so sad. I mean, what *The New York Times* is saying is what I talked about earlier in terms of out-of-pocket expenditures; that they are only going to get worse as time goes on. I do not think most people will even sign up for this when it goes into effect in 2 years because their out-of-pocket costs are so bad compared to what they would actually benefit. But what *The New York Times* is saying is that that differential is going to get even worse as time goes on.

The New York Times editorial from Sunday goes on to talk about the drug pricing that I mentioned before. They say, "Drug prices must also be controlled. Unfortunately, the most glaring fault in the bill is its failure to employ the strongest weapon for reining in drug costs. As the political price for passing the bill, congressional Republicans inserted language prohibiting the Medicare program from using its substantial market power to negotiate low prices from the drug companies. Instead, the program will rely on private insurance plans or pharmacy benefit managers to negotiate. That was a mistake. The ban on government intervention reflects the Republicans' aversion to government price controls, but it is also testimony to the lobbying clout of the drug industry, a major patron of the Republican Party. Democratic leaders have introduced bills to allow Medicare to negotiate directly, but that will be a tough sell in a Republican Congress that opposes any changes before the law has had a

chance to work. The AARP has now suggested that Congress should allow the government to negotiate drug prices if private efforts fail to produce big discounts."

Well, I do not have to go on. *The New York Times* is just confirming what I have said all along. This was nothing but a bone thrown to the pharmaceutical industry that did not want any kind of effort to negotiate lower prices; and now we see that the representatives, be they Members of the House, Republican Members, or members of the administration who were directly involved in these negotiations to make sure that there was this ban on any effort to lower prices, are now joining those same drug companies or the law firms that represent them.

The special interests just reign supreme here in the Republican-controlled Congress and in the White House. And worst of all, and this is the last thing I will mention on this subject, Mr. Speaker, I could not believe that on Saturday there was an article in *The New York Times* about how the Department of Health and Human Services is now stepping up efforts against drug imports. Those of us who were here back in November when we had this debate know full well that there was an effort that was successful on the part of mostly Democrats but also some Republicans to put into the Republican Medicare prescription drug bill a provision that would have allowed reimportation of drugs from Canada, if not from other countries, where the FDA has certified the production and the factory where the drugs are being produced. We actually were successful in getting language in the bill, believe it or not. I do not know how we did it, but we managed on a bipartisan basis to get language in the bill that would allow and legalize reimportation from Canada as a way of trying to reduce the prices of drugs.

We know that in Canada, unlike in the United States, they negotiate price reductions on behalf of not only seniors but all their citizens, so the prices for the prescription drugs are significantly lower. But what this Bush administration does is, after the law passes, they say that they will refuse to certify that drugs being reimported from Canada are safe and, therefore, because they will not certify that those drugs are safe, they now say that it is still illegal to reimport the drugs from Canada. What the Bush administration is now doing, what the FDA is now doing, is basically trying to prevent the reimportation of the drugs.

This is what was in *The New York Times* on Saturday, January 24. And, again, I just want to read some sections from it because it is unbelievable to me how far they will go to protect the pharmaceutical industry at the expense of the average senior in the United States who is trying to find some way, albeit even having to reimport the drugs from Canada, to try to reduce their drug prices, because

they simply cannot afford to pay these steep prices for these prescription drugs.

This article says that "A second 'blitz' inspection by Federal drug and Customs officials of medicines imported from Canada has found that nearly all of almost 2,000 packages opened contained foreign versions of American pharmaceuticals that officials said might not be safe." And I use that, "might not be safe." They are not saying they are not safe, they are saying they might not be safe. Well, what is the basis for their saying they might not be safe? Nothing. There is absolutely nothing in the article and nothing that they did to show that in fact these reimported drugs were not safe.

In fact, in *The New York Times* article, it says, "Asked if the pills reviewed in the latest survey that they were inspecting were unsafe, Dr. McClellan," who is the FDA Commissioner and a Bush appointee, answered, "We just don't know because it's so hard to tell." Well, what kind of answer is that, Mr. Speaker?

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Americans are trying to get drugs reimported from Canada, and there is every reason to believe they are safe, there is no reason to believe they are not; and they are seizing all these drugs. And when the commissioner is asked if they are safe, he said we do not know because it is so hard to tell. There is nothing in this article that indicates that they have found anything that indicates that these drugs are not safe. I think they are harassing those who are trying to do the reimportation.

Mr. Speaker, Governors and mayors around the country, because they are so concerned about the cost of prescription drugs for their own citizens, for their seniors, are trying to come up with ways of providing a government program, either in the case of the mayors for their cities or Governors for their States, to reimport these drugs from Canada at a low cost. I do not have to give all of the examples here, but I think one of the States that has taken a lead on this is Illinois, which has talked about a major program to try to accomplish this goal.

But what the Bush administration says, and this is again from *The New York Times*, the Bush administration is hoping to use a combination of aggressive inspections and pointed political advice to persuade local and State officials to back away from the border drug trade. This is Dr. McClellan that is being paraphrased. And the State officials who are trying to set up these programs are turning their heads because they do not know what to do. They think it is ridiculous what the FDA is trying to do. This is not even a partisan issue. Some of the Governors trying to set up the programs and that are objecting to what the Bush administration is doing on the Canadian reimportation issue are Republicans.

There is one quote here from Governor Tom Pawlenty, a Republican from Minnesota; and he says that the FDA will sue somebody or throw somebody in jail over this, the pharmaceutical companies choke off supply, or the FDA comes to their senses. He is very concerned about what the administration is trying to do to stop the supply of drugs going into Minnesota, which he believes are safe.

It goes on and on and talks about all of the things that the FDA is trying to do to cut the supply; that the drug companies are sending fewer drugs to Canada and are trying to choke off the supply. Everything is being done to try to help the pharmaceutical companies not have to provide lower-cost drugs. The actions of my fellow Congressman and the Bush administration officials in this regard are just outrageous. I think it is imperative to keep speaking out against what is going on, against those Republican officials within the administration and in our case the chairman of our committee who are now taking jobs with these companies after they negotiated this legislation, this bad bill. Somehow the public has to be made aware, Mr. Speaker, of all these activities. I know that I am going to be back again on another night talking about this and have some of my colleagues on the Democratic side of the aisle join with me.

Before I close, I just wanted to move to another topic which is totally unrelated to this, but it is timely. I would like to take 5 minutes to switch to this topic that relates to foreign policy, not only to U.S. foreign policy, but also to activities at the U.N.

Tomorrow, President Bush is meeting with the Prime Minister of Turkey, and I know there are a number of things that they are going to discuss; but I would like to discuss this evening what I would like our President to do, which is to basically have President Bush exert pressure on the Turkish Government to convince the Turkish Cypriot leader, Rauf Denktash, to return to the negotiating table on Cyprus and truly work for a peace settlement over the Cyprus issue.

I was in Cyprus this summer. Some may know that Cyprus is about to join the European Union as of May 1 of this year; but Cyprus is still a divided island. The Turkish Government invaded Cyprus in 1974. They occupy about a third of the northern part of the island; and every effort that has been made over the last few years, and it really came to the point where we thought there was really a possibility last spring that there would be an agreement between the Turkish Cypriot government and the Government of the Republic of Cyprus to unify the island and have the Turkish troops leave before Cyprus joined the European Union. So far that has not happened, but I still think there is an opportunity for that to happen.

I would like to see if President Bush can put some pressure on the Turkish

Prime Minister tomorrow to have him essentially exert some influence over the Turkish Cypriot government in the northern occupied part of Cyprus to come to agreement and unify the island under one government before Cyprus' accession to the European Union.

This weekend, before his trip to the United States, the Turkish Prime Minister said he would allow the United Nations to "fill in the blanks" of a settlement to the Cyprus issue. The Prime Minister also urged U.N. Secretary Kofi Annan to appoint a new Cyprus negotiator and said he would urge the Turkish Cypriot leader to go along with settlement proposals. While these words are encouraging from the Prime Minister, one has to remember they were made right before his trip to the United States. In the past, Turkish leaders have made statements showing the importance of a peace settlement; but, unfortunately, these words have not translated into action.

In fact, just days before Prime Minister Erdogan made this pledge, Denktash continued his intransigence, stating that the whole world is trying to take Cyprus away from the Turks. Denktash even joked in reference to the Turkish Government when he said, "Come, give Cyprus away to the Greek Cypriots and get over with it."

Mr. Speaker, Denktash is not just going to listen to Turkish leaders. But Denktash's comments show an uneasiness with the perception that Turkey is finally willing to agree to a settlement with the framework created by the U.N. Now would be the perfect time for Turkey to exert pressure on Denktash and his government, and this is something that President Bush should strongly urge during his meeting tomorrow.

At a time when Turkey is interested in joining the European Union, its lack of cooperation in the efforts to solve the Cyprus problem can only result in a setback for Turkey's candidacy. On May 1, Cyprus will join the European Union. Last week, the European Enlargement Commissioner, Genter Verheugen, warned that the status quo would damage everyone, whereas a solution would be a clear win/win situation for Greece, Cyprus, Turkey, and Europe as a whole. In an article in the Financial Times, it was pointed out by the European Enlargement Commissioner that "the absence of a solution when we reach May 1 would deepen the island's division." He stressed that a settlement of the Cyprus problem does not constitute an additional criterion for Turkey's bid to join the European Union, but also questioned whether it would be likely that all 25 member states, including the Republic of Cyprus, will decide unanimously at the end of this year to start accession negotiations with Turkey as long as the island remains divided.

Again, I would stress being particularly for Turkey, which wants to join and hopes by the end of this year that there will be some movement towards

its own accession to the European Union. There is really very little time for Turkey to play a role to settle the Cyprus issue. I would hope with a little pressure from President Bush tomorrow, the Turkish Prime Minister will return to Ankara and stress to Denktash like never before the importance that the Turkish Cypriot leadership put aside unreasonable and unacceptable demands and finally negotiate in good faith with the leadership of the Republic of Cyprus.

Ultimately, the victims of these shortsighted policies from Ankara and the Turkish Cypriot leadership are the people of Turkey and the Turkish Cypriot community, who will continue to be deprived of an opportunity to share in the economic, social, and other benefits of European Union membership.

Again I would say that the statements made by the Turkish Prime Minister over the weekend and the Turkish military seem to indicate that they want the Turkish Cypriot government to move ahead with the settlement that could be accomplished possibly by May 1. But we have heard this before. I think the best course is if our President Bush can really make it clear to the Turkish Prime Minister tomorrow how important this is and how timely it is that some action be taken to achieve a unified Cyprus by May 1. I know that President Bush is interested in accomplishing this, and I hope that he does put sufficient pressure on the Prime Minister of Turkey so we can see some progress.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ALEXANDER (at the request of Ms. PELOSI) for today and the balance of the week on account of official business.

Mr. FROST (at the request of Ms. PELOSI) for today on account of family matters.

Mr. HASTINGS of Florida (at the request of Ms. PELOSI) for today on account of weather-related travel problems.

Mr. HONDA (at the request of Ms. PELOSI) for today and the balance of the week on account of personal reasons.

Mr. MILLER of North Carolina (at the request of Ms. PELOSI) for today on account of personal reasons.

Mr. ORTIZ (at the request of Ms. PELOSI) for today and the balance of the week on account of official business.

Mr. REYES (at the request of Ms. PELOSI) for today and the balance of the week on account of a death in the family.

Ms. ROYBAL-ALLARD (at the request of Ms. PELOSI) for today and the balance of the week on account of personal reasons.

Ms. SLAUGHTER (at the request of Ms. PELOSI) for today on account of weather-related travel problems.